

2022 Regular Session

HOUSE BILL NO. 566

BY REPRESENTATIVE BAGLEY

MEDICAL MARIJUANA: Increases the number of entities eligible for licensure as medical marijuana production facilities

1 AN ACT

2 To amend and reenact R.S. 40:1046(H)(1)(a), (2)(a) and (b), (3), (4)(a) and (e),
3 (6)(a)(introductory paragraph) and (b) and 1047(A)(4), relative to the therapeutic use
4 of marijuana; to provide for the transfer of licensure of production facilities; to
5 provide for regulatory authority; to provide for the definition of "department"; to
6 provide an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 40:1046(H)(1)(a), (2)(a) and (b), (3), (4)(a) and (e),
9 (6)(a)(introductory paragraph) and (b) and 1047(A)(4) are hereby amended and reenacted
10 to read as follows:

11 §1046. Recommendation and dispensing of marijuana for therapeutic use; rules and
12 regulations of the Louisiana State Board of Medical Examiners and
13 Louisiana Board of Pharmacy; production facility licensing by the
14 ~~Department of Agriculture and Forestry~~ Louisiana Department of Health

15 * * *

16 H.(1)(a) The ~~Department of Agriculture and Forestry~~ Louisiana Department
17 of Health, referred to in this Subsection as "the department", shall develop the rules
18 and regulations regarding the extraction, processing, and production of

1 recommended therapeutic marijuana and the facility producing therapeutic
2 marijuana. The rules and regulations shall require as a minimum standard that the
3 extraction and refining process produce a product that is food-safe and capable of
4 producing pharmaceutical-grade products.

5 * * *

6 (2)(a) The ~~Department of Agriculture and Forestry~~ department shall develop
7 an annual, nontransferable specialty license for the production of recommended
8 marijuana for therapeutic use. Other than the licenses granted pursuant to
9 Subparagraph (b) of this Paragraph, the ~~Department of Agriculture and Forestry~~
10 department shall limit the number of such licenses granted in the state to no more
11 than one licensee. ~~The Louisiana State University Agricultural Center and the~~
12 ~~Southern University Agricultural Center shall have the right of first refusal to be~~
13 ~~licensed as the production facility, either separately or jointly. If neither of the~~
14 ~~centers exercise this option, the license shall be awarded~~ grant any new licenses
15 pursuant to the requirements provided for in Paragraphs (3) through (5) of this
16 Subsection. The department shall take into consideration market supply and demand
17 for the therapeutic use of marijuana, product cost to patients, and geographic balance
18 of production facilities, if possible, within the state when making the decision to
19 issue any new licenses.

20 (b) ~~Prior to September 1, 2016, the~~ The Louisiana State University
21 Agricultural Center and the Southern University Agricultural Center, if already
22 licensed on July 1, 2023, shall each provide written notice to the commissioner of
23 ~~agriculture and forestry of their intent to be licensed as a~~ have the right to retain their
24 ~~production facility, either separately or jointly~~ license, provided that within no more
25 than thirty days after July 1, 2023, each university shall provide written notice to the
26 secretary of health of their intent to remain a licensed production facility and to be
27 regulated by the department.

28 * * *

1 (3) The ~~The~~ A license shall be limited to one geographic location as provided for
 2 in rule by the ~~Department of Agriculture and Forestry~~ department. The geographic
 3 location shall be a public record subject to disclosure under the Public Records Law,
 4 R.S. 44:1 et seq. The licensee shall permit inspection of the production facility by
 5 any elected member of the Louisiana Legislature upon request after receipt of
 6 reasonable notice.

7 (4)(a) The ~~Department of Agriculture and Forestry~~ department shall grant
 8 ~~the~~ a license pursuant to a contract awarded through a competitive sealed bid or a
 9 competitive sealed proposal as provided for in R.S. 39:1594 and 1595. The contract
 10 for the license shall be subject to the Louisiana Procurement Code and shall not be
 11 subject to any exceptions to or other variances from the Louisiana Procurement
 12 Code. The contract shall not be awarded under the sole source procurement
 13 provisions provided for in R.S. 39:1597.

14 * * *

15 (e) No ~~person licensed~~ licensee pursuant to this Subsection shall subcontract
 16 for services for the cultivation or processing in any way of marijuana if the
 17 subcontractor, or any of the service providers in the chain of subcontractors, is
 18 owned wholly or in part by any state employee or member of a state employee's
 19 immediate family, including but not limited to any legislator, statewide public
 20 official, university or community or technical college employee, Louisiana State
 21 University Agricultural Center employee, or Southern University Agricultural Center
 22 employee. For the purposes of this Paragraph, "immediate family" has the same
 23 meaning as provided in R.S. 42:1102.

24 * * *

25 (6)(a) The ~~Department of Agriculture and Forestry~~ department shall collect
 26 the following information from each licensee:

27 * * *

28 (b) The ~~Department of Agriculture and Forestry~~ department shall provide the
 29 information collected pursuant to this Paragraph for the previous calendar year in the

1 form of a written report to the Louisiana Legislature no later than February first of
2 each year. The department shall also make a copy of the report required by this
3 Subparagraph available to the public on the Internet.

4 * * *

5 §1047. Louisiana ~~Department of Agriculture and Forestry~~ Department of Health;
6 authorization to obtain criminal history record information

7 A. As used in this Section, the following terms shall have the following
8 meaning:

9 * * *

10 (4) "Department" means the Louisiana ~~Department of Agriculture and~~
11 ~~Forestry~~ Department of Health.

12 * * *

13 Section 2.(A) This Section shall become effective upon signature of this Act by the
14 governor or, if not signed by the governor, upon expiration of the time for bills to become
15 law without signature by the governor, as provided by Article III, Section 18 of the
16 Constitution of Louisiana. If this Act is vetoed by the governor and subsequently approved
17 by the legislature, this Section shall become effective on the day following such approval.

18 (B)(1) Section 1 of this Act shall become effective on July 1, 2023; if this Act is
19 vetoed by the governor and subsequently approved by the legislature, Section 1 of this Act
20 shall become effective on July 1, 2023, or on the day following such approval by the
21 legislature, whichever is later.

22 (2) The Department of Agriculture and Forestry and the Louisiana Department of
23 Health shall take such actions prior to July 1, 2023, including but not limited to amending,
24 adopting, and repealing administrative rules, as well as the transfer of any relevant program
25 and licensee records, as are necessary to implement the provisions of this Act on that date.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 566 Original

2022 Regular Session

Bagley

Abstract: Provides for the change in regulatory authority over production facilities from the La. Dept. of Agriculture and Forestry to the La. Dept. of Health, removes the total number of production facilities licenses that may be issued, and provides for a time period of transition between the two agencies.

Present law requires the La. Dept. of Agriculture and Forestry (LDAF) to develop rules and regulations regarding the extraction, processing, and production of recommended therapeutic marijuana and the facility production therapeutic marijuana, as well as to develop an annual license for therapeutic marijuana production facilities.

Proposed law replaces the LDAF with the La. Dept. of Health (LDH) as the regulatory authority for the production and processing of therapeutic marijuana, as well as the agency developing and issuing production facility licenses.

Present law requires the number of production facility licenses issued within the state, outside of those granted to the Louisiana State University (LSU) and Southern University (SU) Agricultural Centers, to be limited to one through a contract awarded by competitive sealed bid or competitive sealed proposal and only if LSU and SU decline to be licensed.

Proposed law removes the limitation on the number of licenses issued and requires the LDH to issue any new licenses pursuant to present law.

Present law grants the LSU and SU Agricultural Centers with a right of first refusal to be licensed as a production facility and required them to provide written notice to the commissioner of agriculture and forestry prior to Sept. 1, 2016 of their intent to be licensed.

Proposed law modifies present law to provide that if LSU and SU Agricultural Centers are already licensed on July 1, 2023, then they maintain their right to retain their license as a production facility provided that within no more than 30 days after July 1, 2023, they provide written notice to the secretary of health of their intent to remain a licensed production facility and to be regulated by the LDH.

Present law authorizes the LDAF to obtain criminal history record information for the purposes of determining suitability of licensees and applicants for license of a production facility.

Proposed law changes present law from the LDAF to the LDH.

Proposed law encompasses transfer provisions pursuant to which the LDH becomes the successor in every way to the LDAF for the purposes of regulating the extraction, processing, and production of therapeutic marijuana.

Upon the effective date of proposed law, the provisions of proposed law effectuating the full succession of the LDAF by the LDH become effective on July 1, 2023.

Proposed law requires the LDAF and the LDH to take such actions prior to July 1, 2023, including but not limited to amending, adopting, and repealing administrative rules, as are necessary to implement the provisions of proposed law on that date.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 40:1046(H)(1)(a), (2)(a) and (b), (3), (4)(a) and (e), (6)(a)(introductory paragraph) and (b) and 1047(A)(4))